



Remuneration Report for the year ended 30 June 2009

This report forms part of the Directors' Report for
the year ended 30 June 2009

Remuneration Report

Introduction

The Directors are pleased to provide Origin's Remuneration Report for the 2009 financial year. As in previous years the aim has been to balance changing disclosure requirements with clear, consistent and informative commentary. The revised format of the Report below continues that approach.

The Board considers that the remuneration arrangements described in previous Remuneration Reports have achieved their aim of delivering superior and sustainable shareholder value by driving performance and retaining key personnel.

At the beginning of the year, Origin's challenge to source and retain specialist project leaders and professionals in skills-short disciplines was one experienced across the Australian business community. While the impact of the unfolding global financial crisis later in the year reduced pressures in some of the business sectors, sourcing and retaining critical project and development people - especially for the development of the Coal Seam Gas (CSG) industry and the planned conversion of CSG to Liquefied Natural Gas (LNG) for export - remains a challenge. The demand for specialist and project people to develop and deliver these key projects remains high. Accordingly, appropriately designed reward systems are important in sourcing and retaining the right people in this competitive market.

The Remuneration Committee is comprised of directors who have wide experience in remuneration matters and is actively engaged in community debate on the issues. During the year Origin lodged three public submissions to government agencies (including the Productivity Commission) on executive remuneration, termination payments and related government proposals. The Committee and the Board view good remuneration regulation and practice as key to the performance of companies like Origin and to Australian productivity as a whole.

At the date of this report, changes to government regulation on equity plans had been foreshadowed but is still to be finalised and enacted. Therefore, the report on equity arrangements primarily relates to the year completed. However, it is noted that changes to Origin's equity plans may be required when the government's proposals are legislated.

The report is presented in seven sections:

- Section 1: Board oversight of remuneration;
- Section 2: Overview of company and executive performance;
- Section 3: Executive Director and Executive remuneration;
- Section 4: Employee Retention Plan;
- Section 5: Employee Share Plans;
- Section 6: Non-Executive Director remuneration; and
- Section 7: Remuneration tables and additional remuneration disclosures.

1. Board oversight of remuneration

1.1 Remuneration Committee

The Board Remuneration Committee is responsible for making recommendations to the Board on director and senior executive remuneration policy and structure. The composition and functions of the Remuneration Committee are set out in the Remuneration Committee Charter, which is available in full on the Company's website www.originenergy.com.au.

The Committee comprises five non-executive Directors with significant experience working within other Boards on remuneration matters. The independent members are Trevor Bourne (Chairman), Gordon Cairns, Kevin McCann and Helen Nugent, with Bruce Beeren (non-independent director).

1.2 Risk Management

The Committee is focused on managing the remuneration strategy, frameworks, policies and practices to ensure alignment with robust risk management practices and strong governance principles.

The following are our key practices:

- To maintain a remuneration framework that has an appropriate mix of fixed pay and "at risk" reward for our business;
- To measure performance for the short term incentive (STI) plan in both financial and non-financial measures; and
- To deliver long term risk management, and alignment with shareholders, through having a significant portion of senior executive remuneration in the form of performance share rights and/or share options contingent on the achievement of long term performance hurdles.

1.3 The Scope of the Report

This report sets out the remuneration framework, policy, performance and outcomes for 2009. Remuneration details are provided for the following directors and executives:

NAME	POSITION	DATE APPOINTED
Non-Executive Directors		
Kevin McCann	Independent Chairman	February 2000
Bruce Beeren	Director	January 2005 ⁽¹⁾
Trevor Bourne	Independent Director	February 2000
Gordon Cairns	Independent Director	June 2007
Helen Nugent	Independent Director	March 2003
Roland Williams	Independent Director	February 2000
John Akehurst	Independent Director	April 2009 ⁽²⁾
Executive Directors		
Grant King	Managing Director	February 2000
Karen Moses	Executive Director, Finance & Strategy	March 2009 ⁽³⁾

NAME	POSITION	DATE APPOINTED
Executives		
David Baldwin	Chief Executive Officer, Contact Energy	May 2006
Frank Calabria	Executive General Manager, Energy Markets Australia	November 2001
Andrew Stock	Executive General Manager, Major Development Projects	February 2000
Robbert Willink	Executive General Manager, Geoscience & Exploration	February 2000
Paul Zealand	Executive General Manager, Upstream Oil & Gas	October 2005

- (1) Bruce Beeren was an Executive Director from March 2000 to January 2005
(2) John Akehurst was appointed an independent Non-Executive Director on 29 April 2009
(3) Karen Moses was appointed Executive Director Finance & Strategy on 25 March 2009. Prior to that she was Chief Operating Officer (since February 2005), and Executive General Manager Wholesale & Trading (since February 2000).

1.4 Advisers to the Committee

The Committee received independent advice from Guerdon Associates during the year. Guerdon Associates does not provide any other services to the Origin Group and reports directly to the Committee.

In addition, the Committee draws on services from a range of external sources including remuneration consultants, who provide services to Origin.

ADVISER	SERVICES PROVIDED
Mercer	Actuarial assessment of superannuation defined benefits Executive and employee remuneration and benchmarking Valuation of long-term incentives
The Hay Group	Executive and employee remuneration data and benchmarking
Ernst & Young	Executive and employee remuneration data and benchmarking
Hewitt Associates	Executive and employee remuneration data and benchmarking

2. Overview of company and executive performance

2.1 Corporate Performance

On 29 October 2008 Origin completed a transaction with ConocoPhillips to form Australia Pacific LNG (APLNG), a 50:50 CSG to LNG joint venture. Following completion of the transaction, Origin has no net debt, substantial cash reserves and significant undrawn bank facilities. This strong balance sheet position will facilitate the funding of significant development and acquisition opportunities. On completion of the transaction Origin paid an additional dividend to shareholders of 25 cents per share to rebase the 2008 dividend to 50 cents per share, and announced that it would target a dividend payout ratio of at least 60% of underlying earnings.

In a year of volatility and recession in most developed economies, Origin's underlying business performed well, with underlying profit up 20% on the prior year. This is attributable to the strong performance from the Australian businesses. The Generation segment benefited from the Uranquinty Power Station and the Quarantine Power Station expansion coming online. The Exploration and Production segment delivered a full year contribution from the Otway Gas Project which offset the lower proportionate CSG production as a result of the 50% interest dilution associated with the APLNG transaction. In New Zealand, Contact Energy had a challenging year, primarily due to an unusual combination of weather events and transmission constraints between the North and South Islands which adversely impacted wholesale costs and generating revenue.

Underlying earnings per share for the year ended 30 June 2009 increased 19% to 60.4 cents per share.

The following table outlines Origin Energy's performance over a number of key performance indicators.

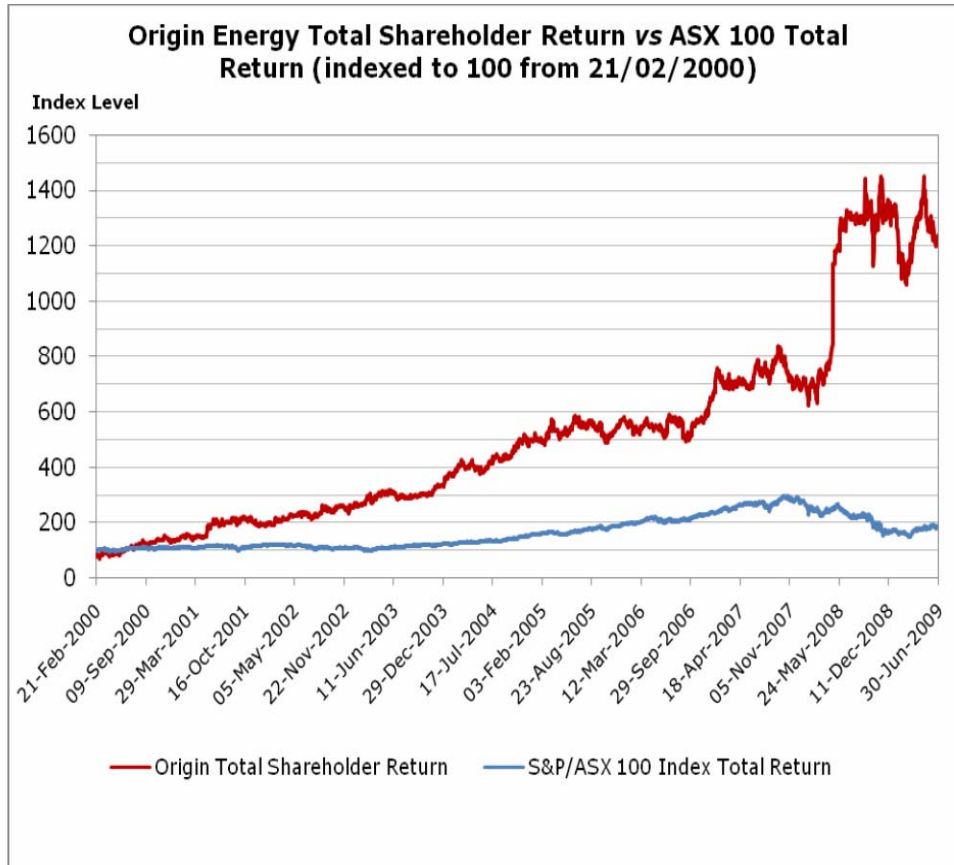
Performance Indicator	2005 ⁽¹⁾	2006	2007	2008	2009	Compound Annual Increase %
EARNINGS						
Net profit after tax	\$266m	\$332m	\$457m	\$517m	\$6,941m	126.0
Earnings per share	34.9c	41.9c	54.7c	59.0c	791.0c	118.2
Underlying profit after tax	\$266m	\$338m	\$370m	\$443m	\$530m	18.8
Underlying earnings per share - basic	34.9c	42.7c	44.3c	50.6c	60.4c	14.7
OCAT ratio ⁽²⁾	12.9%	15.0%	13.7%	12.3%	10.4%	-
TOTAL SHAREHOLDER RETURNS						
Dividends	15.0c	18.0c	21.0c	50.0c ⁽³⁾	50.0c	35.1
Share Price 30 June	\$7.61	\$7.36	\$9.94	\$16.12	\$14.64	17.8
Annual shareholder return	42%	-1%	38%	66%	-5%	-

(1) 2005 amounts reflect previous AGAAP and have not been restated under IFRS.

(2) Operating Cash flow After Tax over Funds Employed excluding capital work in progress.

(3) Includes additional dividend paid in November 2008.

From 30 June 2005 to 30 June 2009, Origin Energy's compound total shareholder return was 25.1% per annum. This was significantly above the ASX 100 Accumulation Index, which increased by 7.7% per annum compound over the same period.



Source: Bloomberg, Guerdon Associates

Total Shareholder Return (TSR) is defined as the growth in Company share price over the relevant performance period with dividends notionally reinvested on the ex-dividend date during the period. The share price is measured on a volume weighted basis for the three months preceding the relevant date.

3. Executive Director and Executive remuneration

3.1 Remuneration Policy

The remuneration policy of the Company as set by the Board and overseen by the Remuneration Committee is summarised as follows:

	Policy Objective	Methodology
Executives	Attract and retain outstanding executives whose contribution is consistent with the Company's commitments, principles and values	<p>Executive remuneration levels are reviewed against an industry peer group of 20 large energy and utility companies, and an 'all industries' group of over 300 companies.</p> <p>The median level is applied as a benchmark for fixed pay while the top quartile level is the benchmark for aggregate remuneration (i.e. fixed plus "at risk" remuneration) for outstanding performance.</p>
	Motivate executives to achieve superior performance that is aligned with shareholders' interests	<p>At target achievement levels a minimum of 54% (30% short term and 24% long term) of executive remuneration is determined by Company performance and individual contribution.</p> <p>The Short Term and Long Term Incentive plans represent "at risk" remuneration. Value is only achieved where clear and challenging performance hurdles are met. Short Term Incentive outcomes are measured against annual financial, safety and individual targets. Long Term Incentive outcomes (share-based payments) are related to individual performance and contribution, and are subject to Company performance hurdles. Vesting is based on achievement against an external measure (relative Total Shareholder Return).</p>

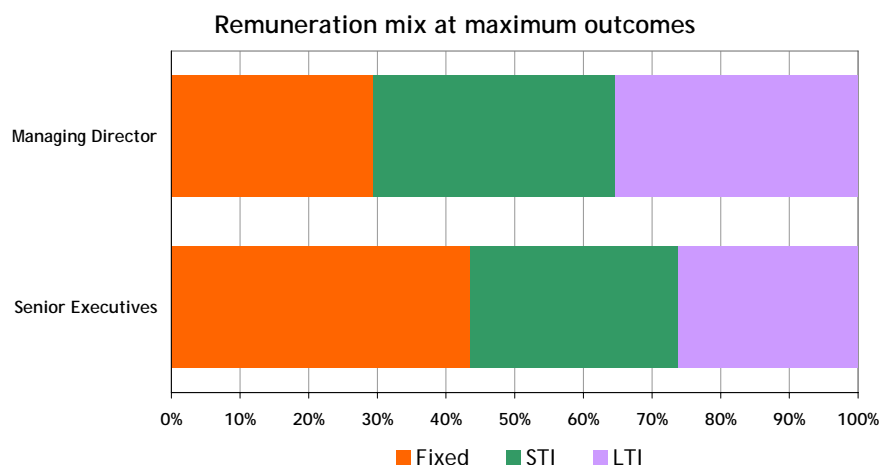
	Policy Objective	Methodology
Non-Executive Directors	Promote independence and objectivity	Non-executive director remuneration consists only of fixed fees, allowing for objective judgement of executive performance.
	Attract and retain Directors who have skills required by the Board and with a reputation for directorial skill and ability	Director's fees are set taking into account the fee levels in companies of a comparable market capitalisation to Origin Energy.
	Alignment of non-executive Directors with shareholder interests and the development of long term value	Purchase of Company's shares by Directors to a minimum holding level of 10,000 shares (Rules have been amended for 2009/10 - see Section 6.2 for details).

The overall philosophy for executive remuneration is to manage a total framework for rewards that achieves the following outcomes:

- Attract and retain talented executives, recognising and developing talent internally
- Link rewards to creating sustainable shareholder value over the long term
- Effect all business consistently in line with the Company's commitments, principles and values
- Build and develop the competencies and capabilities of staff, providing opportunities for growth and development
- Reward those who deliver outstanding performance

3.2 Remuneration Mix

The figure below represents the remuneration policy mix between fixed and variable pay (short and long term incentives), when variable pay is at the maximum. The reward mix is determined for different role levels in the Company such that there is an increasing proportion of pay "at risk" with increasing level of responsibility.



3.3 Remuneration Details

Fixed Remuneration

Fixed remuneration Executives are paid a fixed package amount which includes the minimum regulatory Company superannuation contribution. The Executive may salary sacrifice from this package additional superannuation and/or benefits such as a novated vehicle lease.

No increases to the fixed remuneration for members of the Executive Management Team (executives reporting to the Managing Director) have been made for 2009-2010.

Benefits Includes salary continuance insurance, accidental death and disablement, parking and fringe benefits. Some benefits are available through salary sacrifice from fixed package and others are paid in addition to the fixed package.

Benchmarking The level of fixed remuneration is reviewed against the median of the market as assessed against 20 large energy and utility companies and an 'all industries' group of over 300 companies.

Variable Remuneration - Short Term Incentive (STI)

Performance Period Performance cycle annual; payment annual.

Opportunity Level The maximum opportunity level is expressed as a percentage of fixed remuneration, and is determined by the executive's relative influence on company performance. "Target" performance outcomes represent 60% of the maximum level.

Senior executives have maximum STI opportunity levels that are determined by their seniority and role. The maximum range is from 65% to 120% of fixed remuneration (ie 39% to 72% at target).

Variable Remuneration - Short Term Incentive (STI)

There are three sets of performance measures:

Performance Measures	Company	The measure used is Operating Cash Flow After Tax as a percentage of Funds Employed (OCAT/FE) exclusive of capital work-in-progress. For 2009-10 onwards the measures have been set as OCAT as a percentage of productive capital (OCAT/PC) and growth in underlying earnings per share (EPS), in equal weightings.
	Division	Appropriate measures for each business such as Earnings Before Interest Tax Depreciation and Amortisation (EBITDA) and Operating Cash Flow (OCF).
	Individual	Personal Key Performance Indicators which may be financial or non-financial, including project delivery, human resource and safety measures.

60-75% of the weighting is allocated to Company/Division results and the remainder on individual contribution.

Short term incentives can be reduced if safety performance targets are not achieved, or varied for exceptional circumstances. During 2008-09, incentives were reduced as a result of the Company and its contractors not achieving safety targets, and discretionary amounts were awarded to certain executives for exceptional contributions leading to the successful creation of the APLNG joint venture.

Performance Assessment	Company goals are set, and outcomes approved, by the Board. Division goals are set by the Managing Director and reviewed by the Remuneration Committee. Senior Executive performance is assessed by the Managing Director, reviewed by the Remuneration Committee and approved by the Board. The Managing Director's performance is assessed and approved by the Board.
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David Baldwin is on secondment to Contact Energy and his STI is assessed by Contact Energy's Board.

Payment vehicle	Cash.
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Variable Remuneration - Long Term Incentive (LTI)

Performance Period The performance cycle is 3 to 5 years, issued on a rolling annual basis.

Opportunity Level The maximum opportunity level is expressed as a percentage of fixed remuneration. These levels are set by reference to the executive's role and contribution to the long term and sustainable growth of the Company. The "target" performance represents 60% of the maximum level.

Senior executives have maximum opportunities ranging from 55% to 120% of fixed remuneration (33% to 72% at target) depending on their specific role.

Relative Total Shareholder Return (TSR) is assessed against the ASX-100 group of companies (as at date of grant). The degree to which the award vests is determined by Origin's percentile ranking against the following scale:

	<u>TSR Percentile Ranking</u>	<u>% of Award Vesting</u>
Performance Hurdle	<50 th	0%
	50 th	50%
	51 st to 74 th	51% to 98%
	75 th or higher	100%

Independent testing of TSR is undertaken at the 3rd anniversary of the grant, and awards vest according to the highest ranking achieved. Any balance not vested is carried forward and tested at the 4th anniversary, and similarly for the 5th anniversary.

Changes to Origin's equity plans may be required when the government's proposals are enacted.

Performance Assessment LTI allocations for 2008-09 and prior years were related to the quantum of STI outcomes. Future LTI allocations will be based on an assessment of the employee's actual and potential contribution and overall performance.

Senior executives are assessed by the Managing Director, reviewed by the Remuneration Committee and approved by the Board. The Managing Director's performance is assessed by the Board.

David Baldwin is on secondment to Contact Energy and his LTI is assessed by Contact Energy's Board.

Variable Remuneration - Long Term Incentive (LTI)

Equity awards as:

- (a) Performance Share Rights (PSRs), which are the right to a fully paid share at no cost; and/or
- (b) Share Options (SO), which are the right to a fully paid share at an exercise price equal to the volume weighted average market price for Origin Energy shares in the five business days leading up to and including the date of grant, that is the market price at issue.

Payment vehicle Directors may award LTI by way of cash compensation, in lieu of equity awards, in circumstances where the Board believes it to be appropriate, including for the 2008-09 year. For the 2008-09 year the Board has determined a maximum value for 145 executives (including 2 executive directors) of \$19 million for all LTI awards.

David Baldwin's LTI is in the form of Contact Energy equity (refer to the Contact Energy website - www.contactenergy.co.nz).

The Board's practice has been, and for 2008-09 will be, to award LTI, 50% in SOs and 50% in PSRs. Because SOs and PSRs have different values, that means an executive will receive a different number of each.

Equity Grants

The number of PSRs and SOs for each executive is calculated by dividing the allocation value of the LTI award for that executive by the independently-determined fair market value of the unit PSR and/or SO estimated at the date of grant. The fair value is calculated using a Black-Scholes methodology with a Monte Carlo simulation model that takes into account market conditions and performance hurdles.

The recommended number of equity units for Executive Directors is approved and recommended by the Board for approval by shareholders.

David Baldwin's equity awards are approved as set out in Contact Energy's Remuneration Report (refer to the Contact Energy website - www.contactenergy.co.nz).

Variable Remuneration - Long Term Incentive (LTI)

Exercise period and forfeiture	<p>PSRs and SOs may only be exercised where the performance hurdle has been met, to the extent set out in the vesting table above.</p> <p>Unexercised PSRs and SOs expire, lapse, or forfeit:</p> <ul style="list-style-type: none">(a) Immediately, if there has been termination for cause(b) Six months after notice of resignation, if there has been a resignation by the employee(c) 5¼ years after grant, in all other cases. This means unexercised PSRs and SOs remain “on foot” subject to their normal performance hurdles and other Plan conditions in the event of genuine retirement, redundancy, Company-initiated transfer of employment, or other termination by the Company without cause <p>Changes to Origin’s equity plans may be required when the final outcome of the government’s proposals are enacted.</p>
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Early Vesting	<p>Early vesting may occur in certain circumstances, subject to achieving the performance hurdle:</p> <ul style="list-style-type: none">(a) On a person/entity acquiring more than 20% of the voting shares in Origin Energy pursuant to a takeover bid that has become unconditional, or in other circumstances that the Board determines appropriate(b) On termination of employment due to death or permanent disability, or in circumstances where the Board determines appropriate
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Details	<p>Details of the SO and PSR Plans are on the Company’s website.</p>
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3.4 Managing Director's Remuneration Details

Further details on the Managing Director's remuneration arrangements are tabulated below:

Managing Director Remuneration Details	
Fixed remuneration	The Managing Director's fixed remuneration for the financial year to 30 June 2010 has been maintained at \$2,100,000.
Short Term Incentive	<p>The maximum STI opportunity level is 120% of fixed remuneration (72% at target).</p> <p>The Board had intended that 20% of the Managing Director's STI be deferred for 3 years into restricted shares commencing in 2009. Following the Federal Government's announcements in May and July 2009 of changes to legislation governing equity plans, and on the basis of the Managing Director's undertaking with respect to maintaining a substantial shareholding in Origin, the proposed deferral has not been implemented.</p> <p>60% of the Managing Director's STI is determined on the Company performance measure and 40% on individual measures.</p> <p>Unlike previous years, in view of the circumstances surrounding the bid by the BG Group and the CSG monetisation process, the Managing Director's 2008-09 performance was assessed against an adjusted earnings per share (EPS) target rather than OCAT/FE.</p>
Long Term Incentive	<p>The maximum opportunity level for the Managing Director for the financial year to 30 June 2009 was 120% of fixed remuneration.</p> <p>The maximum level for the financial year to 30 June 2010 has been set by the Board at 140% of fixed remuneration, to maintain an appropriate balance between short term and long term performance.</p>

3.5 Executive Performance

The Company aligns executive performance requirements with strategic business goals and market expectations.

Strategic business goals cascade from the Operating Cashflow After Tax to Funds Employed ratio (OCAT/FE) and underlying EPS growth. The OCAT/FE ratio is a measure of cash flow required to exceed risk adjusted capital earnings requirements and is particularly suited to Origin's long term businesses.

EPS growth is a widely understood primary performance measure used by investors and analysts.

Origin has developed and applied financial measurement and performance tracking processes around these measures allowing the various components to be cascaded for operational management, feedback, assessment and reward.

Relative TSR is a forward looking measure. It represents an assessment of Origin's ability to invest and achieve a return on capital relative to other companies.

3.6 Contractual Arrangements

The table below sets out the main terms and conditions of the employment contracts of the Managing Director and senior executives.

Name	Contract Duration	Notice Period	Termination Payments
Grant King	To 30 June 2014	<ul style="list-style-type: none"> • 12 months either party • Immediate for misconduct, breach of contract or bankruptcy • 6 months extended illness 	<ul style="list-style-type: none"> • Statutory entitlements only for termination with cause • Payment in lieu of notice at Company discretion • For Company termination "without cause", pro rata STI is payable.
Senior Executives	Ongoing (no fixed term)	<ul style="list-style-type: none"> • Up to 3 months either party • Immediate for misconduct, breach of contract or bankruptcy 	<ul style="list-style-type: none"> • Statutory entitlements only for termination with cause • Payment in lieu of notice at Company discretion • For Company termination "without cause", payment equivalent to 3 weeks fixed remuneration per year of service capped at 74 weeks; a minimum may also apply (generally 18-22 weeks) • For Company termination "without cause", pro rata STI is payable.

The above represents current arrangements under existing regulations. Contractual arrangements will be reviewed once government proposals before the Parliament have been enacted.

4. Employee Retention Plan

As part of the Company's ongoing operations, from time to time the Board approves deferred cash retention arrangements used primarily to reduce the risk of loss of employees who manage critical activities, occupy roles that are key to the delivery of operating or strategic objectives, or undertake functions requiring skills that are in short supply and actively sought in the market. The arrangements allow for the key employees to be paid a cash retention payment provided that they remain in employment to a nominated date (generally 1-3 years in the future) and achieve personal performance targets. The use of these arrangements in recent years has been successful in reducing turnover in the key categories below that of the Company generally. The deferred payment may also be made where the Company makes the eligible employee redundant prior to the nominated date. However, there is no requirement that a payment be made to an eligible employee on a change of control of the Company. Retention arrangements were put in place for key employees during 2008-09 pursuant to the circumstances surrounding the takeover bid by the BG Group and the CSG monetisation process. A total of 235 employees had a retention arrangement as at the end of the year. Retention payments in relation to senior executives are included in the Long Term Payments column of the Remuneration Table in section 7.1.

5. Employee Share Plans

Details of the Long Term Incentive plan are provided in Section 3.3. The tables in Section 7 summarise awards that have been made and changes in the year to 30 June 2009.

All employees (other than executive directors) with more than one year of service are eligible to participate in the Employee Share Plan. The Plan provides for an award of up to \$1,000 of shares in Origin if the Company meets specified financial and/or safety targets set by the Board. Shares awarded under the Plan are bought on-market. To be eligible to receive shares, annual performance measures which relate to targeted areas of Company-wide performance must be achieved. Shares awarded under the Plan must be held for at least three years following the award or until the employee ceases employment.

For the year ended 30 June 2009 a safety target was set for combined employee and contractor performance. The target was not met and consequently no awards were made under the Plan for the financial year.

6. Non-Executive Director remuneration

6.1 Policy

Non-executive directors are remunerated by way of base fees and committee fees (inclusive of superannuation). Directors can elect to receive this in the form of participation in the shareholder approved Non-Executive Director Share Plan.

The level of fees paid is based on the scope of director responsibilities and the size and the complexity of the Origin Energy Group. The Remuneration Committee considers the level of remuneration required to attract and retain directors with the necessary skills and experience for the Origin Energy Board. A review of director remuneration of 20 ASX listed companies of comparable market capitalisation to Origin Energy was undertaken during the year. The results indicated that the fees were low relative to market. Although the fees are below the approved aggregate cap, in addition to being below market, the Board took the view that in the prevailing economic environment there should be no increase in fees at this time. The aggregate cap of \$2.2 million remains unchanged.

6.2 Non-executive Director Fee Structure

The table below shows the structure and level of non-executive director fees for the year ending 30 June 2010:

Role	Fee
Board	
Chairman	\$570,000
Director	\$160,000
Committees	
Audit	
Chairman	\$55,000
Member	\$28,000
Remuneration	
Chairman	\$38,000
Member	\$15,000
Health, Safety & Environment	
Chairman	\$38,000
Member	\$15,000
Nomination	
Chairman & members	\$0

Additional fees totalling \$217,688 were paid to non-executive directors for additional services rendered to the Company in respect of attendance at Due Diligence Committee meetings and additional services and Board meetings during the year. The additional work resulted primarily from the BG Group bid and the CSG monetisation process that led to the Australia-Pacific LNG joint venture (41 Board meetings held during the past two years compared with normal schedule of 22). Total fees paid to non-executive directors amounted to \$1,866,720 during 2008/09 (excluding Contact Energy non-executive director fees). This is below the aggregate limit that was approved by shareholders at the Annual General Meeting in October 2008.

Prior to 30 June 2009 the Non-Executive Director Share Plan required non-executive directors to sacrifice 25% of their gross fees until they hold a minimum of 20,000 Origin Energy shares. These shares are acquired on-market by the Trustee of the Plan to be held for participating non-executive directors. The Trustee of the Plan may transfer to a non-executive director a share acquired under the Plan after 5 years or upon retirement from office or death of the non-executive director.

Following government changes limiting salary sacrifice arrangements to \$5,000, from 1 July 2009 non-executive directors may sacrifice up to \$5,000 per annum. In view of the increase in the market price of Origin shares the minimum shareholding requirement has been reduced from 20,000 to 10,000 shares within 3 years of appointment.

7. Remuneration tables and additional remuneration disclosures

7.1 Remuneration Table for 2009 and 2008

	Year	Short Term Benefits						Post Employment Benefits			Other Long Term Benefits	Long Term Payments	% of Rem "At Risk"	% of Rem in Options & Rights	% of Short Term Incentive ⁽⁶⁾		
		Fixed Rem	Contact Energy Fees ⁽¹⁾	Variable Rem ⁽²⁾	Non-Monetary Benefits ⁽³⁾	Insurance Premium	Total	Super	NED Share Plan Benefits ⁽⁴⁾	Total	Accrued LSL	Retention, Options & Rights ⁽⁵⁾			Total	Paid	Forfeited
Executive Directors																	
Grant King	2009	2,004,450	72,320	2,688,000	4,800	1,982	4,771,552	95,550		95,550	115,441	1,109,863	6,092,406	62	18	107	0
	2008	1,800,000		1,800,000	4,800	1,975	3,606,775	100,000		100,000	134,441	1,057,216	4,898,432	58	22		
Karen Moses	2009	1,053,210	44,297	966,663	12,676	1,982	2,078,828	96,548		96,548	71,665	952,769	3,199,810	60	14	84	16
	2008	970,000		816,000	4,800	1,975	1,792,775	40,000		40,000	57,867	436,344	2,326,806	54	19		
Executives																	
David Baldwin ⁽⁷⁾	2009	667,155		200,147	3,573	614	871,489					762,988 ⁽⁸⁾	1,634,477	59	19	30	70
	2008	624,354		399,242			1,023,596					258,353	1,281,949	51	20		
Frank Calabria	2009	699,400		747,288	4,800	1,982	1,453,470	50,000		50,000	15,627	718,564	2,237,661	66	10	100	0
	2008	622,000		447,000	4,800	1,975	1,075,775	50,000		50,000	14,985	215,910	1,356,670	49	16		
Andrew Stock	2009	648,067		532,732	3,733	1,982	1,186,514	100,000		100,000	65,842	557,441	1,909,797	57	11	84	16
	2008	568,500		445,000	3,733	1,975	1,019,208	100,000		100,000	78,236	267,436	1,464,880	49	18		
Robert Willink	2009	526,102		247,050	3,300	1,982	778,434	88,450		88,450	35,232	401,522	1,303,638	50	9	54	46
	2008	449,929		235,000	2,497	1,975	689,401	122,215		122,215	64,001	139,507	1,015,124	37	14		
Paul Zealand ⁽⁹⁾	2009	508,667		415,129	3,983	1,982	929,761	100,000		100,000	9,785	500,705	1,540,251	59	8	91	9
	2008																
Non-Executive Directors																	
Kevin McCann	2009	608,006			666	170	608,842	13,752		13,752			622,594				
	2008	436,848				138	436,986	13,152		13,152			450,138				
Bruce Beeren	2009	240,140	90,621		1,108	170	332,039	13,752		13,752		27,120	372,911				
	2008	198,347	76,208		3,501	138	278,194	13,152		13,152		41,875 ⁽¹⁰⁾	333,221				
Trevor Bourne	2009	209,000				170	209,170	36,000		36,000			245,170				
	2008	158,167				138	158,305	45,833		45,833			204,138				
Gordon Cairns	2009	168,188				170	168,358	15,137	33,093	48,230			216,588				
	2008	143,000				138	143,138	11,070	29,930	41,000			184,138				
Helen Nugent	2009	200,258				170	200,428	13,752	38,440	52,192			252,620				
	2008	154,937				138	155,075	25,491	36,238	61,729			216,804				
Roland Williams	2009	197,500				170	197,670	13,752	40,365	54,117			251,787				
	2008	169,500				138	169,638	13,152	36,681	49,833			219,471				
John Akehurst ⁽¹¹⁾	2009	20,909					20,909	1,882		1,882			22,791				
	2008																
Totals ⁽¹²⁾	2009	7,751,052	207,238	5,797,009	38,639	13,526	13,807,464	638,575	111,898	750,473	313,592	5,030,972	19,902,501				
	2008	6,295,582	76,208	4,142,242	24,131	10,703	10,548,866	534,065	102,849	636,914	349,530	2,416,641	13,951,771				

Footnotes to Remuneration Table for 2009 and 2008

- (1) Grant King, Bruce Beeren and Karen Moses are Origin nominees on the Board of Contact Energy Limited.
- (2) Variable remuneration for the financial year includes the amount paid in the financial year, based on achieving personal goals and satisfying specified business performance criteria, and discretionary amounts awarded to executives for exceptional contributions leading to the successful creation of the APLNG joint venture.
- (3) Non-monetary benefits cover reportable fringe benefits and exempt benefits.
- (4) For explanation of the Non-Executive Director's Share Plan refer to Section 6.2 of this Remuneration Report on page 17.
- (5) Includes restricted shares for Contact Energy fees and retention payments as set out in Section 4. The fair value of the options and rights is calculated at the date of grant using a Black-Scholes methodology with a Monte Carlo simulation model that takes into account hurdles. The fair value is allocated to each reporting period evenly over the period from date of grant to the first vesting test date. The value disclosed is the portion of the fair value of the options/rights allocated to this reporting period. In valuing the options/rights, market conditions have been taken into account.
- (6) Variable remuneration paid or forfeited during the year as a proportion of the maximum Short Term Incentive (see section 3.3). The maximum Short Term Incentive is referenced to a percentage of fixed remuneration plus superannuation.
- (7) David Baldwin is paid in New Zealand dollars. Remuneration is converted to Australian dollars using an annual leveraging exchange rate of \$1.2291 at 30 June 2009.
- (8) Share options and restricted shares issues by Contact Energy Limited.
- (9) Details of Paul Zealand have not been previously reported so no comparative data for 2008 is presented.
- (10) Refers to options issued to Bruce Beeren in August 2004 while he was an executive Director, and approved by shareholders and restricted shares received as a non-executive director of Contact Energy Limited. The value of options amortised during the year are not part of the aggregate fees paid to non-executive directors during the year.
- (11) John Akehurst was appointed as a non-executive director on 29 April 2009.
- (12) All key management personnel are employed and remunerated by the Company and its controlled entities.

7.2 Equity Hedging Policy

Origin Energy policy requires that employees not trade instruments or other financial products which operate to limit the economic risk of any securities held under any equity-based incentive schemes, while those holding are subject to performance hurdles or are otherwise unvested.

The Company Secretary monitors adherence to this policy. Non-compliance may result in summary dismissal.

7.3 Modifications of Terms of Equity-Settled Share-Based Payment Transactions

No terms of equity-settled share-based transactions (including options and rights granted as compensation to a key management person) have been altered or modified by the issuing entity during the reporting period or the prior period.

7.4 Details of Equity Grants

The table below lists the position of all current grants of equity-based incentive grants made to directors and senior executives.

No of options and rights outstanding	Exercise price	First Exercise Date	Expiry Date	Vested	Number Exercisable ⁽¹⁾	Percentage Exercisable ⁽²⁾
275,000	\$5.98	6 Aug 2007	6 Aug 2009	Yes	275,000	100
698,000	\$5.72	26 Nov 2007	26 Nov 2009	Yes	698,000	100
-	\$6.75	20 May 2008 ⁽³⁾	20 May 2010	Yes	-	100
1,811,000	\$7.21	7 Sep 2008 ⁽³⁾	7 Sep 2010	Yes	1,811,000	100
2,131,300	\$6.50	11 Sep 2009 ⁽³⁾	11 Sep 2011	Yes	2,131,300	100
50,000	\$8.97	26 Jun 2010 ⁽³⁾	26 Jun 2012	Yes	50,000	100
300,000	\$10.32	28 Sep 2010 ⁽³⁾	28 Sep 2012	Yes	300,000	100
-	Nil	28 Sep 2010 ⁽³⁾	28 Sep 2012	Yes	-	100
544,000	Nil	28 Sep 2010	28 Dec 2012	No	-	100
100,000	Nil	14 Nov 2010	14 Feb 2013	No	-	100
1,649,000	\$10.32	28 Sep 2010	28 Sep 2012	No	-	100
505,000	Nil	30 Sep 2011	30 Dec 2013	No	-	81.25
1,274,500	\$16.30	30 Sep 2011	30 Dec 2013	No	-	81.25

(1) The performance conditions are described in Section 3.3

(2) The number of equity instruments exercisable is indicative. The number has been calculated by comparing Origin Energy's TSR to the relevant performance group and applying the performance conditions noted in section 3.3 as at 30 June 2009. The number of options and rights that become exercisable will be determined at the test date and may be different from that indicated here.

(3) Under the previous Plan rules that applied to these awards early vesting occurred as a result of the announcement on 30 April 2008 by the BG Group that it proposed to acquire more than 20% of Origin Energy shares.

7.5 Analysis of movements in options - audited

A summary of the movement in the year to 30 June 2009, by value, of options over ordinary shares in the Company held by directors and senior executives is provided in the table below.

	Value of options and rights		
	Granted ⁽¹⁾ \$	Exercised ⁽²⁾ \$	Lapsed ⁽³⁾ \$
Directors	-	-	-
Kevin McCann	-	-	-
Bruce Beeren	-	3,617,123	-
Trevor Bourne	-	-	-
Gordon Cairns	-	-	-
Helen Nugent	-	-	-
Roland Williams	-	-	-
John Akehurst	-	-	-
Executive Directors			
Grant King	3,503,000	12,472,174	-
Karen Moses	809,290	-	-
Executives			
David Baldwin ⁽⁴⁾	333,354	-	-
Frank Calabria	447,610	1,201,821	-
Andrew Stock	443,120	-	-
Robbert Willink	201,200	1,901,118	-
Paul Zealand	191,020	832,559	-

(1) The value of options and rights granted in the year is the fair value calculated at grant date using a binomial option-pricing model which has been independently calculated by Mercers. The value disclosed is the total value of the options and rights. This amount is allocated to remuneration over the vesting period (i.e. from 30 September 2008 to 30 September 2011).

(2) The value of options and rights exercised during the year is calculated as the market price of Origin Energy shares on the Australian Securities Exchange as at the close of trading on the date the options and rights were exercised, after deducting the price paid to exercise the option or right.

(3) No options or rights lapsed during the year

(4) As CEO of Contact Energy David Baldwin's awards relate to Contact Energy equity

7.6 Numbers of Options Granted, Exercised and Lapsed and Associated Fair Value

Options and rights over ordinary shares of Origin Energy Limited granted or vested to all key management personnel

	No of Options & Rights Granted in yr to 30 June 2009	Grant Date	Fair Value	Exercise Price per Option or Right	Expiry Date	No of Options & Rights Vested in year to 30 June 2009
Directors						
Kevin McCann	-	-	-	-	-	-
Bruce Beeren	-	-	-	-	-	-
Trevor Bourne	-	-	-	-	-	-
Gordon Cairns	-	-	-	-	-	-
Helen Nugent	-	-	-	-	-	-
Roland Williams	-	-	-	-	-	-
John Akehurst	-	-	-	-	-	-
Executive Directors						
Grant King	400,000	30/9/08	\$4.49	\$16.30	30/12/13	-
	150,000	30/9/08	\$11.38	Nil	30/12/13	-
Karen Moses	89,000	30/9/08	\$4.49	\$16.30	30/12/13	-
	36,000	30/9/08	\$11.38	Nil	30/12/13	-
Executives						
David Baldwin ⁽¹⁾	220,652	1/10/08	\$0.94	\$7.00	30/11/13	-
	31,020	1/10/08	\$4.06	Nil	30/11/13	-
Frank Calabria	49,000	30/9/08	\$4.49	\$16.30	30/12/13	-
	20,000	30/9/08	\$11.38	Nil	30/12/13	-
Andrew Stock	48,000	30/9/08	\$4.49	\$16.30	30/12/13	-
	20,000	30/9/08	\$11.38	Nil	30/12/13	-
Robbert Willink	22,000	30/9/08	\$4.49	\$16.30	30/12/13	-
	9,000	30/9/08	\$11.38	Nil	30/12/13	-
Paul Zealand	21,000	30/9/08	\$4.49	\$16.30	30/12/13	-
	8,500	30/9/08	\$11.38	Nil	30/12/13	-

(1) As CEO of Contact Energy David Baldwin awards relate to Contact Energy equity

No options and rights have been granted since the end of the financial year. Options and rights were provided at no cost to the recipients.

All options and rights expire on the earlier of their expiry date or termination of the individual's employment. The options and rights are exercisable no earlier than three years after grant date. In addition to a continuing employment service condition, the ability to exercise options and rights is conditional on the consolidated entity achieving certain performance hurdles. Details of the performance criteria are included in the long-term incentives information in Section 3.3. For options and rights granted in the current year, the earliest exercise date is 30 September 2011.

7.7 Exercise of Options Granted as Compensation

The following shares were issued on the exercise of options previously granted as compensation:

	2008/09	
	Number of Shares	Amount Paid per Share
Directors		
Kevin McCann	-	-
Bruce Beeren ⁽¹⁾	275,000	\$4.15
Trevor Bourne	-	-
Gordon Cairns	-	-
Helen Nugent	-	-
John Akehurst	-	-
Executive Directors		
Grant King	500,000	\$4.15
	500,000	\$5.98
	100,000	Nil
Karen Moses	-	-
Executives		
David Baldwin ⁽²⁾	-	-
Frank Calabria	90,000	\$4.15
	20,000	\$5.72
Andrew Stock	-	-
Robbert Willink	110,000	\$5.72
	98,000	\$7.21
Paul Zealand	91,000	\$6.50

(1) Relates to equity awarded to Bruce Beeren when an Executive of the Company

(2) As CEO of Contact Energy David Baldwin awards relate to Contact Energy equity

7.8 Options and Rights Holdings

Movement, during the reporting period, in the number of options and rights over ordinary shares in Origin Energy held directly, indirectly or beneficially by key management personnel, including their related parties:

	Year	Held At Year Start	Granted as Compensation	Exercised	Lapsed	Held at Year End	Vested During Year	Vested & Exercisable at Year End
Non-Executive Directors								
Kevin McCann	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
Bruce Beeren	2009	550,000	-	275,000	-	275,000	-	275,000
	2008	550,000	-	-	-	550,000	275,000	550,000
Trevor Bourne	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
Gordon Cairns	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
Helen Nugent	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
Roland Williams	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
John Akehurst	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
Executive Directors								
Grant King	2009	2,500,000	550,000	1,100,000	-	1,950,000	-	1,300,000
	2008	2,000,000	500,000	-	-	2,500,000	1,900,000	2,400,000
Karen Moses	2009	784,000	125,000	-	-	909,000	-	593,000
	2008	1,053,000	191,000	460,000	-	784,000	593,000	593,000
Executives								
David Baldwin ⁽¹⁾	2009	362,217	251,672	-	-	613,889	-	-
	2008	246,463	115,754	-	-	362,217	-	-
Frank Calabria	2009	483,500	69,000	110,000	-	442,500	-	286,000
	2008	436,000	87,500	40,000	-	483,500	306,000	396,000
Andrew Stock	2009	368,500	68,000	-	-	436,500	-	281,000
	2008	576,000	87,500	295,000	-	368,500	416,000	281,000
Robbert Willink	2009	262,500	31,000	208,000	-	85,500	-	-
	2008	208,000	54,500	-	-	262,500	208,000	208,000
Paul Zealand	2009	151,000	29,500	91,000	-	89,500	-	-
	2008	-	-	-	-	-	-	-

(1) As CEO of Contact Energy David Baldwin's awards relate to Contact Energy equity

7.9 Equity Holdings and Transactions

The table below represents the movement during the reporting period in the number of ordinary shares of Origin Energy Limited held directly, or indirectly or beneficially by key management personnel including the related parties:

	Year	Held At Year Start	Purchases	Received on Exercise of Options	Sales	Held at Year End
Non-Executive Directors						
Kevin McCann	2009	267,382	10,000	-	-	277,382
	2008	261,725	5,657	-	-	267,382
Bruce Beeren	2009	725,020	-	275,000	40,000	960,020
	2008	805,020	-	-	80,000	725,020
Trevor Bourne	2009	45,017	355	-	-	45,372
	2008	42,966	2,051	-	-	45,017
Gordon Cairns	2009	4,884	43,205	-	-	48,089
	2008	2,500	2,384	-	-	4,884
Helen Nugent	2009	22,500	3,453	-	-	25,953
	2008	18,398	4,102	-	-	22,500
Roland Williams	2009	42,393	3,027	-	-	45,420
	2008	38,237	4,156	-	-	42,393
John Akehurst	2009	-	2,000	-	-	2,000
	2008	-	-	-	-	-
Executive Directors						
Grant King	2009	307,741	2,217	1,100,000	500,000	909,958
	2008	301,046	6,695	-	-	307,741
Karen Moses	2009	233,526	60	-	35,000	198,586
	2008	33,466	60	460,000	260,000	233,526
Executives						
David Baldwin ⁽¹⁾	2009	-	-	-	-	-
	2008	-	-	-	-	-
Frank Calabria	2009	20,913	377	110,000	40,317	90,373
	2008	140,832	81	40,000	160,000	20,913
Andrew Stock	2009	487,838	210	-	40,000	448,048
	2008	397,495	60	295,000	204,717	487,838
Robbert Willink	2009	214,684	2,541	208,000	11,532	413,693
	2008	611,981	2,703	-	400,000	214,684
Paul Zealand	2009	175,060	60	91,000	175,000	91,120
	2008	-	-	-	-	-

(1) As CEO of Contact Energy David Baldwin's awards relate to Contact Energy equity

7.10 Equity Holdings and Transactions

Details of the vesting profile of the options and rights granted as remuneration during the reporting period to key management personnel:

Options & Rights Granted						
Type	Number	Date	Percentage Vested In Year	Forfeited In Year ⁽¹⁾	Vesting Date	
Directors						
Kevin McCann	-	-	-	-	-	-
Bruce Beeren	-	-	-	-	-	-
Trevor Bourne	-	-	-	-	-	-
Gordon Cairns	-	-	-	-	-	-
Helen Nugent	-	-	-	-	-	-
Roland Williams	-	-	-	-	-	-
John Akehurst	-	-	-	-	-	-
Executive Directors						
Grant King	Options	400,000	30/9/08	-	-	30/9/11
	PSR	150,000	30/9/08	-	-	30/9/11
Karen Moses	Options	89,000	30/9/08	-	-	30/9/11
	PSR	36,000	30/9/08	-	-	30/9/11
Executives						
David Baldwin ⁽²⁾	Options	220,652	1/10/08	-	-	1/10/11
	PSR	31,020	1/10/08	-	-	1/10/11
Frank Calabria	Options	49,000	30/9/08	-	-	30/9/11
	PSR	20,000	30/9/08	-	-	30/9/11
Andrew Stock	Options	48,000	30/9/08	-	-	30/9/11
	PSR	20,000	30/9/08	-	-	30/9/11
Robbert Willink	Options	22,000	30/9/08	-	-	30/9/11
	PSR	9,000	30/9/08	-	-	30/9/11
Paul Zealand	Options	21,000	30/9/08	-	-	30/9/11
	PSR	8,500	30/9/08	-	-	30/9/11

(1) The percentage forfeited in the year represents the reduction from the maximum number of options available to vest due to the highest level performance criteria not being achieved.

(2) As CEO of Contact Energy David Baldwin's awards relate to Contact Energy equity.

- End of Report -